

MACKINAC BRIDGE AUTHORITY (EXCERPT)

Act 214 of 1952

254.315 Revenue bonds; purposes; sale or exchange of refunding bonds; contracts for fiscal agents' services; payment of principal, interest, and redemption premiums; serial bonds or term bonds; statement; signatures; negotiability; tax exemption; sale; approval; temporary bonds; recital.

Sec. 5. (1) The authority is hereby authorized by resolution or resolutions of the board to provide for the issuance of revenue bonds for the purpose of paying the cost of the bridge or for the purpose of refunding the bonds, including refunding bonds, or for any combination of such purposes. Such refunding bonds may be either sold at not less than par and accrued interest or may be delivered in exchange for the bonds to be refunded or may be sold in part and exchanged in part and if sold, the proceeds thereof when received, together with other properly available funds sufficient to pay the balance of the principal, interest, and redemption premiums which will be due on the bonds to be refunded, shall be deposited with the paying agent for the bonds to be so refunded and used only for the purpose of making said payments. Any such sale or exchange shall be subject to the approval of the state administrative board. The board may enter into such contracts for fiscal agents' services in connection with the financing of the bridge as may be approved by the state administrative board, or the state treasurer may be used as fiscal agent.

(2) Principal of and interest and redemption premiums on the bonds issued hereunder shall be payable solely from the revenues of the authority, except that said payments may also be made from the proceeds of refunding bonds issued hereunder and capitalized interest may be paid from the proceeds of the bonds. Such bonds may be either serial bonds, or term bonds, or any combination thereof. Any serial bonds shall have annual or semiannual maturities, the first maturity of which shall be payable not more than 10 years from their date. Any term bonds shall be redeemable on any interest payment date at such price or prices and upon such terms and conditions as prescribed by the authorizing resolution of the board, and recited upon the face of the bonds. The bonds shall mature not more than 50 years from their date, shall be coupon bonds bearing interest at not more than 6% per annum, payable semiannually except as to the first coupon which may be for any number of months not exceeding 10, shall be payable in such medium, shall be in such form and executed in such manner, shall have such privilege of registration as to principal or principal and interest, shall be payable at such place or places within or without the state and shall otherwise have such other details as may be fixed by resolution of the board. Serial bonds may be made redeemable prior to maturity at such price or prices and under such terms and conditions as may be prescribed in the resolution of the board, and recited upon the face of the bonds.

(3) All such bonds shall contain a statement on their face that neither the bonds nor the coupons representing interest thereon constitute an indebtedness of the state of Michigan within the meaning of any constitutional limitations or prohibitions and that neither the authority nor the state is authorized to pay such bonds or interest except from the revenues pledged thereto under the provisions of this act. In case any official whose signature appears on such bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature shall nevertheless be valid and sufficient for all purposes with like effect as though such person had remained in office until delivery. All such bonds are hereby declared to be fully negotiable and to have all of the qualities incident to negotiable instruments under the uniform commercial code, subject only to the provisions for registration of the bonds which may appear therein. Such bonds shall be exempt from all taxation by the state or any of its political subdivisions and shall be sold at public sale after notice at least 5 days before the sale in a publication approved by the department of treasury for the carrying of such notice, but no such sale shall be made at a price that will result in an interest cost of more than 6% per annum. However, all or any part of such bonds may be sold to the United States government or any agency thereof, at private sale, without public offering and the authority is authorized to enter into any agreements or contracts with the United States government or any of its agencies necessary to provide for the financing of the bridge in the manner contemplated by this act. Such bonds may be authorized and may be issued from time to time as needed and subsequent series or issues thereof shall enjoy equal or subordinate status with respect to the pledge of revenues from which they are payable as may be provided in the proceedings authorizing their issuance. Any public sale, or negotiated sale of the bonds with the United States government or any of its agencies, shall be subject to the approval of the state administrative board. Prior to the preparation of definitive bonds, the board may provide for the issuance of temporary bonds with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. The proceedings authorizing the bonds may provide that such bonds shall contain a recital that they are issued pursuant to this act and such recital shall be conclusive evidence of their validity and the regularity of their issuance.

History: 1952, Act 214, Imd. Eff. Apr. 30, 1952;—Am. 1983, Act 123, Imd. Eff. July 18, 1983.